



March 2004

A New Approach to Higher Education Accountability in Washington

Accountability can be a powerful tool for improvement when its purpose is well-defined and performance indicators are linked to state priorities. Ideally, an accountability system does the following: (1) aligns institutional priorities with state goals, (2) allows students, legislators, leaders of educational institutions, business leaders, and others interested in higher education to view progress toward those goals, and (3) provides a basis for making policy decisions.

Washington's state accountability system has not been reviewed since its creation in 1997. Its purpose is unclear and our current performance indicators seem to have little relation to institutional or state goals.

The 2004 Interim Strategic Master Plan calls for increased accountability by using benchmarks and performance indicators to effectively measure results and strengthening the consistency of higher education data. In a recent policy audit, the National Collaborative for Postsecondary Education Policy reaffirmed the need for a new accountability system, stating that, in Washington, "Accountability is not systematically used to help focus institutional attention on a limited number of state priorities."¹

The Higher Education Coordinating Board (HECB) currently has the authority to make recommendations for the state's existing accountability system. House Bill 3103, which the Legislature passed, strengthens the HECB's role in accountability. The legislation directs the HECB to "establish an accountability monitoring and reporting system as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals in higher education" (Sec. 11).

It is an ideal time to revisit accountability given the new focus on goals for degree production in the 2004 Strategic Master Plan. In order to increase the number of degrees produced, we need to understand the reasons why we are not producing degrees at a rate comparable to other states, and then regularly monitor progress. For example, a commonly used statistic in higher education policy is Washington's ranking of 33rd among the states for the number of bachelor's degrees

¹ The National Collaborative for Postsecondary Education Policy. "A Public Agenda for Higher Education in Washington," February 17, 2004, presented at a work session for the House and Senate Higher Education Committees.

earned.² The reasons for our low degree production could be explained with the appropriate performance indicators and information about our state context, and addressed with policy based on that data. This is something that has never been accomplished with our current accountability system.

By revisiting accountability now, we also can synchronize our efforts with the Office of Financial Management's (OFM) "Priorities of Government" activities, which require institutions to develop strategic plans and performance indicators. By May 1, 2004, institutions are required to submit their strategic plans to OFM, with performance measures due later in the summer.

This paper includes (1) a working definition and comprehensive policy for state-level higher education accountability, (2) a discussion of how state-level accountability differs from other forms of accountability, and (3) proposed changes to our existing system. The paper concludes with a recommendation that the state's new accountability system remain flexible and be reviewed on a regular basis.

I. The Purpose of Accountability

The purpose of accountability, broadly speaking, is to motivate institutional performance toward state goals. Ideally, accountability motivates by accurately and consistently informing those interested in higher education of progress toward state goals. Overall, accountability should provide information on the value of public investment in higher education.

A working definition for state-level accountability might look like the following:

"Accountability should provide students, legislators, leaders of educational institutions, business leaders, and others interested in higher education with accurate, consistent information on system-wide progress toward state goals in higher education, including details that support policy development."

Based on that definition, decisions can be made regarding three main components of the accountability system: (1) incentives, (2) reporting, and (3) data.

A. Incentives: Should Funds be Linked to Performance?

In 1997, the Legislature linked institutions' accountability plans and performance to two percent of the non-instructional base budget (about \$10.6 million). Since that time, our state has relied on accountability as a reporting tool, but not as the basis for funding decisions.

Accountability is viewed as a punishment when performance based on poorly conceived indicators is used as the basis for funding decisions. Funding decisions based on performance

² This statistic specifically relates to Bachelor's degrees earned per 1,000 residents aged 20-29 for the year 2000.

become even more punishing when adequate state funding is not in place to cover existing enrollment.

Since the public institutions in our state are currently over-enrolled without adequate state funding, it would not be appropriate to tie accountability performance to funding. This may change over time, but for the current biennium, at least, accountability should be used as a reporting tool only.

B. Reporting: What type of information should be included in accountability reports?

Context

Washington's current accountability reports do not provide context that might help explain institutional performance and student progress through the educational "pipeline." Many other states include in their accountability reports data on state population demographics, the state economy, state funding per student FTE, per capita income, overall enrollment, and a basic description of educational institutions and the programs they provide. High school test scores, high school graduation rates, and information on affordability (e.g., tuition and financial aid) also would be useful in understanding some of the factors that impact students' college attendance and performance.

Performance Indicators

Our current reports provide annual data for each institution on four indicators common to all the public four-year institutions, as well as on two institution-specific measures:

- ³Graduation efficiency (freshmen)
- Graduation efficiency (transfers)
- ⁴Five-year freshmen graduation rate
- ⁵Undergraduate retention
- Faculty productivity (institution-specific)
- Institution-specific measure on any topic

The current measures provide some information on performance toward state goals, but not enough to inform policy or provide an understanding of progress (or the lack of it). Furthermore, they do not provide a basis on which to compare our state performance to other states.

³ Graduation efficiency is a measure developed in Washington State to measure credits to degree at baccalaureate institutions rather than time to degree. It is calculated as: Total credits required for degree minus transfer credits, divided by total credits attempted at the baccalaureate institution.

⁴ Most other state and national comparisons use six-year graduation rates.

⁵ Retention in Washington reflects the percentage of all students enrolled one fall quarter and returning the next. Most other states use the percentage of freshmen who return for their sophomore year, because students are most likely to drop out during that period.

Accountability reports should not be used to judge or compare different institutions within our state, but should provide a state-level look at progress toward state goals and, if possible, compare our performance to the performance of other states. Reporting institutional highlights or special achievements at particular colleges can preserve recognition of the unique nature of our institutions.

Finally, in order for our accountability system to “focus institutional attention on a limited number of state priorities,” as recommended by the National Collaborative for Postsecondary Education Policy, the performance indicators we use should be more closely aligned with state goals and with the strategies used to achieve those goals.

C. Data: What type of data should be provided to the HECB for accountability reporting?

The HECB currently receives accountability data as a series of reports from the institutions that is summarized at a high level. However, accountability data should be detailed enough to inform state-level policymakers of specific areas where improvement is needed. While a micro level of performance does not need to be reported every year to all audiences, it should be available for informing policy decisions. This means that the data available to the HECB should include a breakdown by student age, gender, race/ethnicity, state region, and curriculum area (major). Such data should encompass student achievement throughout the academic “pipeline,” from K-12 preparation and transfer to application, admission, and graduation at a four-year institution.

II. Differences between State Accountability and Other Types of Accountability

If other forms of accountability exist, why should we develop yet another system? Accreditation, assessment, and performance contracts are similar to state-level accountability but do not serve the same purpose.

Accreditation

Accreditation requires information from institutions regarding graduation rates, admissions, and other areas similar to state-level accountability. Yet detailed accreditation results are usually confidential, and accreditation is used to assess institutions, not to measure progress toward state goals.

Assessment

Assessment usually refers to student learning. The *Measuring Up* reports, which compare states on comparable measures, gave failing grades to all states in the measurement of student learning. The institutions, however, continue to work on a project to measure learning that began in the 1997-99 biennium. Assessment of student learning could potentially be included in state accountability reports, but is not developed enough at this point to include.

Performance Contracts

Performance contracts as pilot projects have received a great deal of legislative interest. Basically, they offer institutions the opportunity to “trade” a specified level of performance for freedom from existing restrictions, or incentive funding. As discussed earlier, incentive funding would be a difficult option to consider since adequate base funding is not available to meet current enrollment demand. Tuition-setting authority would most likely be a preferred “reward” for performance in a performance contract.

Performance contracts could actually require more, not less, accountability from the institutions. Thus, they are a form of accountability. However, as pilot projects, they would be specific to the institutions that participate and would not provide the kind of state-level information necessary to view progress toward state goals. In addition, accountability should be an ongoing, regular activity that continues regardless of the rewards involved.

III. A Plan for Redesigning Accountability to Meet State Needs

The involvement of the public colleges and universities is crucial if accountability reporting is to be used as an improvement tool. After all, if the institutions do not believe the measures used are relevant, how can these measures be used to motivate? The following three steps outline a basic approach to redesigning our accountability system, but institutional involvement will be required at every step if accountability reporting is to have any impact on improved performance.

Step 1: Define the Purpose of State-Level Accountability

As discussed in a previous section of this paper, the purpose of accountability could be defined as follows:

“Accountability should provide students, legislators, leaders of educational institutions, business leaders, and others interested in higher education with accurate, consistent information on system-wide progress toward state goals in higher education, including details that support policy development.”

Step 2: Align Performance Indicators with State Goals

The 2004 Interim Strategic Master Plan lists specific goals for higher education and strategies to achieve them by 2010.

Goals

- (1) Increase by about 20 percent the total number of students who earn college degrees and job training credentials in Washington.
- (2) Respond to the state’s economic needs.

Strategies

- Increase enrollment
- Improve educational efficiency
- Promote innovation in service delivery
- Address funding, tuition, and financial aid (affordability)
- Improve higher education's responsiveness to the state's economic needs
- Improve K-12/higher education linkages to promote student success in college

A group of institutional researchers and academic planners are working with HECB staff to develop performance indicators that measure progress toward achieving these goals and strategies. The results of this work will be presented to the HECB at the July 22 Board meeting.

Step 3: Collect Data that Measures Performance Toward State Goals and Provides a Basis for Policy Decisions

Some new data may need to be collected in order to provide the information needed to measure progress toward state goals. For example, employment information is not currently available for students graduating from four-year institutions (although it is available for students from two-year colleges). House Bill 3103 directs the Board to convene a new data advisory group to help researchers obtain new information.

In the meantime, the same group of staff working on the development of performance indicators is also working on a list of data elements to support the HECB's reporting and policy needs.

IV. Other Issues***Inclusion of Private Institutions***

Data about private institutions are not currently included in state accountability reports. Yet the important role private institutions play in providing access to higher education should be considered in the analysis of statewide enrollment capacity, program supply, and degree production. Currently, private institutions participate in publicly funded financial aid programs and report data on students receiving need-based aid. We also have access to some private institution data through national surveys. Additionally, our accountability report should include data about the private institutions according to the extent of their participation in publicly funded programs.

Keeping Accountability Flexible

As new measures and priorities emerge, our accountability system should change. Assessments of student learning, inclusion of private institutions, and employment data will change the picture that the HECB, working with the institutions, can provide to the public and others interested in higher education. Accountability should be monitored at least once every two years to ensure that it is meeting its purpose.

V. Next Steps

Institutional representatives will be invited to provide feedback at the March 25 Board meeting. As mentioned previously, HECB staff are working with a group of institutional researchers and academic planners appointed by the provosts to develop proposed performance indicators and data requirements. The group's final recommendations will be presented at the Board's July 22 meeting.